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OPPOSE S. 857

Committee on INSURANCE AND REAL ESTATE
February 19, 2013

Thank you for the opportunity to submit testimony on S. 857, an act concerning the use of step therapy and off-label prescribing of prescription drugs. Express Scripts respectfully opposes the bill.

Express Scripts is a pharmacy benefit manager, or "PBM," and it is our goal to make prescription drugs safer and more affordable. We believe S. 857 would restrict our ability to implement important plan management programs – tools that plan sponsors use to help keep costs down – and ultimately drive up the cost of pharmacy care for the state and its employers.

Utilization Management Programs Reduce Costs

PBMs frequently implement a variety of utilization management programs aimed at ensuring that patients receive both clinically appropriate and cost effective therapies. Utilization management programs like step therapy can provide plan sponsors a 10% cost savings when implemented.

Restricts Usage of Clinically Effective Preferred Drugs

By preventing step therapy programs from requiring plan-preferred drugs first, we believe that S. 857 would significantly undercut the value of any step therapy program – that is because step programs are put into place when a plan decides that there are clinically appropriate and cost effective reasons to promote a lower-cost preferred brand drug before higher cost non-preferred drugs are covered. Our analysis shows that over 90% of patients that start on a preferred drug stay on the preferred drug; once a patient starts on a drug in the correct therapy class, they rarely need to change.

Limits Competition of Brand Manufacturer Pricing

We believe that the plan is in the best position to make benefit plan design determinations because it has full and up-to-date access to both the clinical safety appropriateness as well as the cost considerations related to a class of drugs, by way of its Pharmacy & Therapeutics (P&T) Committees. A P&T Committee is an independent group of nonemployee physicians and pharmacists who are experts in their field and are responsible for establishing the drug formularies. The integrity of the P&T Committee stems from its independence, not just from the PBM but also from pharmaceutical manufacturers.

As a result, step therapy programs are also seen as an avenue for implementing utilization management rules outside of the influence of any brand manufacturer sales program. We fear S. 857 could exacerbate rising prescription drug costs as brand manufacturers will recognize that a lack of competition on price will now exist.

It is for these reasons we respectfully oppose S. 857. If you have any further questions or concerns, please do not hesitate to contact me at (201) 269-6401 or heather_cascone@express-scripts.com.

Respectfully submitted,

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